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ABSTRACT

This brief analyzes the employment patterns and socioeconomic characteristics of Latinos. Nationally, Hispanics constitute 11.1 percent of the U.S. workforce. The number of Latino workers is expected to grow by 36.3 percent this decade. Working Latinos have persistently had high poverty and unemployment rates due to such factors as insufficient education and discrimination. The Latino workforce is younger than the black or white workforce. Mexicans constitute the majority of employed Latinos. Latinos have the highest labor force participation rate. Employment and labor force participation rates vary widely between Hispanic subgroups. Latinas have lower employment and labor force participation than non-Hispanic females. Working-age Latinos have lower educational attainment levels than their black and white peers. Latinos with more than a high school education earn less than other groups with similar educational backgrounds. Latinos represent one in ten employed workers but are a much larger share of the workforce in specific industries. Patterns of concentration in specific occupations are distinct between racial/ethnic groups. Latinos are especially likely to work in low-paying occupations. The Hispanic unemployment rate is significantly higher than that of Whites but lower than that of Blacks. Unemployment rates vary significantly between Hispanic subgroups. Fewer Latinos are affiliated with unions than are members of other groups. Disparities in pension coverage remains between Latino and other unionized workers. (Contains 13 references and 11 tables/figures.) (SM)

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Statistical Brief No. 3

The Latino Workforce

By Sean Thomas-Breitfeld*

Introduction

According to the U.S. Department of Labor's Bureau of Labor Statistics, nearly 16 million Hispanic** men and women contribute their labor to the American economy. Nationally, Latinos constitute 11.1% of the United States workforce and represent a larger share of the labor force in nine states (see Table 1). Latinos work hard to maintain the stability of their families and to fuel the economic growth of this nation.

The Latino workforce is expected to become even more integral to the American economy in the next decade. The latest projections show that the number of Latino workers will grow by 36.3% during this decade, to 13.3% of the total U.S. labor force in 2010.

Although Latino workers constitute a significant and growing share of the country's workers, working Latinos have had persistently high rates of poverty and unemployment, as well as low incomes. Numerous factors associated with the employment status of Latinos contribute to the negative economic outcomes of Latinos. Insufficient levels of education contribute to the concentration of Hispanics in

Table 1

Latino Share of the Labor Force in the US and Selected States, 2001

	Latino Share of Labor Force (%)
United States	11.1
New Mexico	38.4
Texas	30.2
California	28.4
Arizona	23.9
Florida	18.6
Nevada	16.9
Colorado	14.5
New York	11.8
New Jersey	11.2

Source: U.S. Department of Labor, Bureau of Labor Statistics: *Employment Status of the Civilian Noninstitutional Population by Sex, Age, Race, and Hispanic Origin, 2001 Annual Averages*. Percentages calculated by the National Council of La Raza.

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** The terms "Hispanic" and "Latino" are used interchangeably throughout this brief and refer collectively to Mexicans, Puerto Ricans, Cubans, Central and South Americans, Dominicans, and others of Spanish and Latin American descent. Latinos can be of any race; therefore, unless denoted as "non-Hispanic," persons of Hispanic origin may be included in both the "Black" and "White" racial categories. Data on Latinos do not include the 2.8 million residents of Puerto Rico.

Statistical Brief

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low-skilled jobs. In turn, the types of jobs in which Latinos work contribute to lower earnings and less access to employer-provided benefits. Other relevant issues linked to the status and well-being of Latino workers are discrimination, immigration status, and union participation.

The Demographics of Latino Workers

Latino workers have characteristics distinct from the general workforce, as well as compared to White and Black workers. In addition, some marked differences appear between Hispanic groups, particularly among the three largest Latino subgroups: Mexicans, Puerto Ricans, and Cubans.

- **The Latino workforce is younger than the Black or White workforce.** In 2002, the median age of the Latino labor force was 34 years old, compared to median ages of 38 and 40 for the Black and White labor forces, respectively.
- **Consistent with the composition of the Latino population overall, Mexicans constitute the majority of employed Latinos.** In 2001, 65.1% of Hispanic workers were Mexican, whereas Puerto Ricans and Cubans constituted 8.1% and 3.9%, respectively, of the Hispanic workforce.
- **Latinos have the highest rate of participation in the labor force.** In 2001, 68.1% of working-age Latinos (16 years and older) were participating in the labor force, meaning they were either working or actively looking for work, compared to a national average of 66.9% and labor force participation rates of 67.2% and 65.4% for Whites and Blacks, respectively.
- **Fewer Latinos are employed, despite their high labor force participation rate.** Among working age Latinos, 63.6% were employed. This rate was comparable to the national average of 63.8%, but slightly below the 64.4% employment

Immigrant Workers

Immigrants come to the United States in search of better jobs and opportunities than were available in their native lands. When they arrive in this country, immigrants contribute significantly to the economy and workforce. According to the 2000 Census, there were roughly 7.5 million Hispanic workers who were foreign-born; these Latino immigrants represented a majority (57.1%) of all Latino workers. In addition, 39.4% of foreign-born Hispanic workers entered the United States during the 1990s, suggesting that immigrant workers are a growing sector of the Latino workforce.

In spite of their strong work ethic, many Hispanic immigrants face barriers to obtaining jobs beyond the low-wage labor market. Immigrant workers tend to have lower levels of education than native-born workers. For instance, among Hispanics aged 25 and older, over half (54.8%) of foreign-born Latinos were not high school graduates in 2002, compared to 27.2% of native-born Hispanics. Also, immigrant workers tend be less proficient in speaking English. In fact, only 19.4% of Hispanic foreign-born workers who entered the country after 1989 reported that they spoke English "very well." While lower education and an inability to communicate in an English-speaking workplace do not seem to affect their ability to find a job, these characteristics significantly limit the job placement, earning potential, and economic mobility of recently-arrived Latino immigrants.

Sources: U.S. Census Bureau, 2002 Current Population Survey: Table 10. Educational Attainment of People 25 Years and Over, by Nativity and Period of Entry, Age, Sex, Race, and Hispanic Origin; and sample data from the Census 2000 Long Form. Percentages calculated by the National Council of La Raza.

rate of Whites, and higher than that of African Americans (59.7%).

- **While Hispanic men participate in the labor force and are employed at a much higher rate than non-Hispanic males, Latinas have lower employment and labor force participation rates than their non-Hispanic female counterparts.** Men of Hispanic origin had the highest labor force participation rate and rate of employment compared to their White and Black counterparts, as Table 2 shows. However, among female workers, Hispanic women had the lowest rates of employment and labor force participation.

- **The rates of employment and labor force participation vary widely between Hispanic subgroups.** Table 2 shows that Mexican men had the highest employment and labor force participation rates among all Hispanic males while, among Latinas, Cubans had the lowest rates of labor force participation and employment.*

TABLE 2

Rates of Employment and Labor Force Participation by Gender, Race/Ethnicity, and Hispanic Subgroup, 2001

		Employment Rate (%)	Labor Force Participation Rate (%)
Male	White	71.9	75.1
	Black	62.1	68.5
	Hispanic	75.1	79.8
	Mexican	77.0	81.9
	Puerto Rican	61.9	67.1
	Cuban	63.1	67.5
Female	White	57.3	59.7
	Black	57.8	62.9
	Hispanic	52.5	56.8
	Mexican	51.6	55.9
	Puerto Rican	49.9	54.1
	Cuban	46.0	49.3

Sources: U.S. Department of Labor, Bureau of Labor Statistics, 2001 Household Data Annual Averages: Table 5. Employment Status of the Civilian Noninstitutional Population by Sex, Age, Race, and Hispanic Origin; and Table 6. Employment Status of the Mexican, Puerto Rican, and Cuban-Origin Population by Sex and Age. Employment rates calculated by the National Council of La Raza.

- **Latino workers are more likely than their Black or White counterparts to earn low incomes and be poor.** According to data from the U.S. Census Bureau, the median income for Hispanic workers in 2001 ($19,651) was significantly below that of White and Black workers ($30,622 and $23,453, respectively). Also, Hispanic and Black workers (11.2% and 10.4%, respectively) were significantly more likely than White workers (4.0%) to be poor in 2001. Furthermore, Hispanic full-time workers (6.5%) were significantly more likely to be poor than their non-Hispanic counterparts (White and Black full-time workers had poverty rates of 1.7% and 4.4%, respectively).

* The low labor force participation and employment rates among Cuban Americans could be due to the significantly older median age of the Cuban community, or survey inaccuracy resulting from the smaller sample size of Cubans, among other factors.

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■ **Latinos are less likely than Whites to be self-employed or work part-time.** Figures 1 and 2 (on page 5) show that the vast majority of employed persons worked full-time in the public or private sectors for wages, salaries, or tips. However, the rate of Latinos who were wage and salary workers was slightly higher than that of the general workforce and White workers, indicating that fewer Latinos worked in their own businesses or their own farms. Also, Whites were more likely than African Americans and Latinos to be part-time workers.*

Workers in Puerto Rico

Over the last three decades Puerto Rico has experienced slow growth of its Gross National Product. Furthermore, during the last ten years, the economic growth of the formal economy has ranged between 3.0% and 3.8%. This slow rate of growth has not been sufficient to sustain the viability of the workforce and, therefore, the Commonwealth's unemployment rate has been consistently high. In January of 2003, 11.4% of Puerto Rico's workers were unemployed, compared to 5.7% nationally. For the 1.2 million Puerto Ricans who were employed that month, their job stability remained uncertain. During the last decade, Puerto Rico has experienced a loss of manufacturing jobs and employment has dropped in most industries since 2001. From 2001 to 2002, government workers and those working in the service industry, where employment increased by 3.8% and 2.5%, respectively, were the only workers who experienced gains in employment. Unfortunately, work alone is not sufficient to keep families out of poverty in Puerto Rico. According to the 2000 Census, 48% of the Island's total population lived below the poverty level. Meanwhile, the cost of living has risen on the Island in recent years. According to the Consumer Price Index, the cost of goods and services consumed by the average family was 5.7% higher in 2000 than in 1999. The costs of groceries, medicine, and gasoline have increased by 8.4%, 9.1%, and 12.7%, respectively, from 1999 to 2000. Puerto Rico faces unique social and economic conditions that significantly impact the well-being of the Island's labor force of nearly 1.4 million.

Sources: Nieves-Rosa, Limarie and Sean Thomas-Breitfeld, *Welfare Reform 2002: Legislative Developments Affecting Puerto Rico*, Washington, DC: National Council of La Raza, September 10, 2002; and *State at a Glance: Puerto Rico*, Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, http://www.bls.gov/eag/eag.pr.htm.

Educational Attainment and the Latino Workforce

Quality education is consistently a top priority for Latino families. For instance, a recent public opinion survey about Americans' views on higher education found that Hispanic parents were most likely (65% compared to 47% of African American and 33% of White parents) to select a college education as the single most important factor for a young person to succeed in the world today. Arguably, Latino families value education so highly because data show that education leads to better employment outcomes. Educational levels tend to correspond to particular occupations and income levels. For instance, workers with higher levels of education tend to be concentrated in managerial and professional occupations; in 2002, of all workers for whom a bachelor's degree was the highest level of education attained, 60.1%

* The data did not consider gender differences; therefore, the higher rate of part-time work among Whites could be largely due to White women working part-time.

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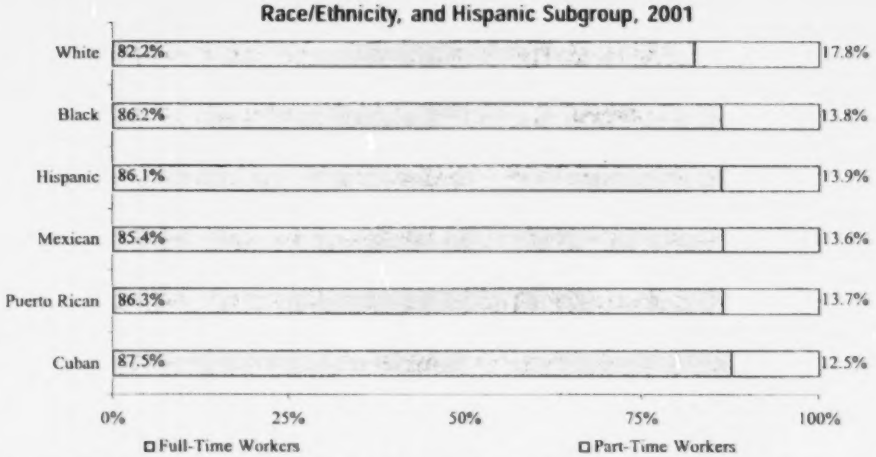
FIGURE 1

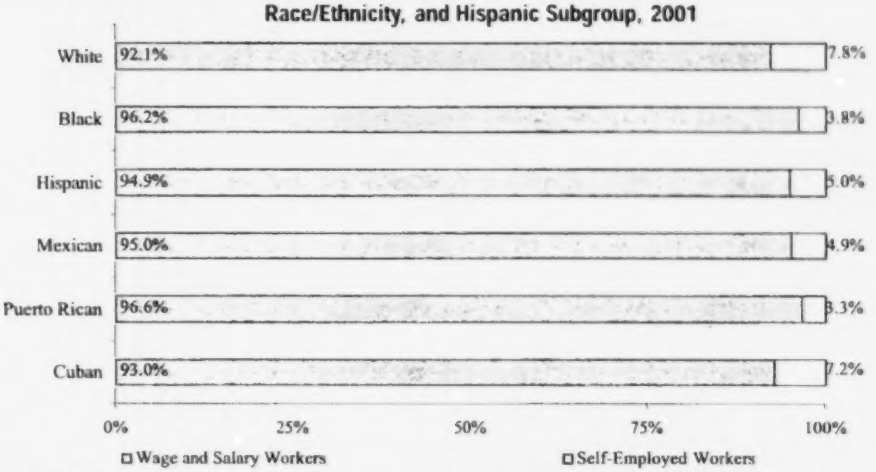
Employed Workers by Full- or Part-Time Status, Race/Ethnicity, and Hispanic Subgroup, 2001



Sources: U.S. Department of Labor, Bureau of Labor Statistics, 2001 Annual Average Data: Table 12. Employed White, Black, and Hispanic-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status; and Table 13. Employed Mexican, Puerto Rican, and Cuban-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status. Percentages calculated by the National Council of La Raza.

FIGURE 2

Employed Workers by Class of Worker, Race/Ethnicity, and Hispanic Subgroup, 2001



Sources: U.S. Department of Labor, Bureau of Labor Statistics, 2001 Annual Average Data: Table 12. Employed White, Black, and Hispanic-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status; and Table 13. Employed Mexican, Puerto Rican, and Cuban-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status. Percentages calculated by the National Council of La Raza.

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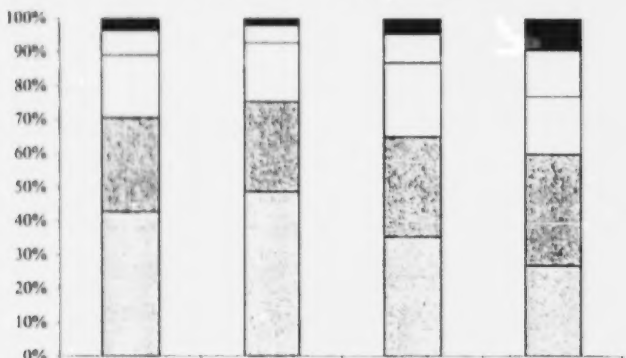
held managerial and professional specialty occupations, and 85.5% of workers with advanced degrees had such occupations. However, workers who did not receive a high school diploma were most likely to be operators, fabricators, and laborers, or to work in service occupations. Workers who did graduate from high school were highly concentrated in technical, sales, and administrative support occupations (30.3%), as were those who attended some college or earned an associate degree (38.1%). Unfortunately, Latino adults tend to have the lowest levels of educational attainment, which contributes to lower incomes and less economic security for many Hispanic families.

- **Working-age Latinos have lower levels of educational attainment than similarly-aged Whites and Blacks.** In 2002, the share of Latinos 25 and older who did not pursue education beyond the high school level (71.0%) was significantly larger than the proportion of similarly-educated African Americans (54.7%) and non-Hispanic Whites (44.3%).
- **There is wide variety in educational attainment among Hispanic subgroups.** Among Latinos of Mexican origin, nearly half (49.0%) did not have a high school degree in 2000, as shown in Figure 3, whereas the bulk of Latinos of Puerto Rican and Cuban origin had earned at least a high school diploma (64.3% and 73.0%, respectively). By contrast, Cuban Americans had

FIGURE 3

Educational Attainment by Hispanic Subgroup, 2000



	Hispanic	Mexican	Puerto Rican	Cuban
■ Advanced Degree	3.3%	1.8%	4.4%	9.1%
□ Bachelor's Degree	7.3%	5.1%	8.6%	13.9%
□ Some College or Associate Degree	18.5%	17.7%	21.8%	17.0%
□ High School Graduate	27.9%	26.4%	29.5%	33.0%
□ Not High School Graduate	43.0%	49.0%	35.7%	26.9%

Source: U.S. Census Bureau, March 2000 Current Population Survey: Table 7.1. Educational Attainment of the Population 25 Years and Over by Sex, Hispanic Origin, and Race.

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a significantly higher level of educational attainment than other Hispanics; the percentage of Cubans with advanced degrees (9.1%) far surpassed the percentage of equivalent Mexicans (1.8%) and Puerto Ricans (4.4%).

- **Latinas are slightly more likely to attain higher levels of education than Hispanic men, although both Hispanic men's and women's educational attainment lags behind that of Whites and Blacks.** In 2002, 29.6% of Hispanic women 25 and older had attained education beyond high school, compared to 28.6% of Latino men. This pattern of higher education among women was slightly more pronounced among African Americans; 46.2% of Black women attained more than a high school diploma compared to 44.1% of Black men. By contrast, White men (56.9%) were more likely to continue their schooling beyond high school, compared to White women (54.6%).
- **Hispanics are more likely to be employed than Whites, regardless of educational level.** As Table 3 shows, among Latinos who had not completed high school, more than half (55.4%) were employed in 2002, compared to only one-third (32.4% and 34.1%, respectively) of

TABLE 3

Employment Status by Educational Attainment and Race/Ethnicity, 2002

		Employed (%)	Unemployed (%)	Not in Labor Force (%)
Not High School Graduate	White Non-Hispanic	32.4	3.1	64.5
	Black Non-Hispanic	34.1	6.2	59.6
	Hispanic	55.4	5.5	39.1
High School Graduate	White Non-Hispanic	59.3	3.3	37.5
	Black Non-Hispanic	61.3	6.6	32.1
	Hispanic	68.8	5.3	26.0
Some College or Associate Degree	White Non-Hispanic	69.1	2.8	28.1
	Black Non-Hispanic	72.7	4.6	22.6
	Hispanic	76.5	4.0	19.4
Bachelor's Degree	White Non-Hispanic	75.4	2.3	22.3
	Black Non-Hispanic	80.6	3.7	15.7
	Hispanic	78.7	3.3	17.9
Advanced Degree	White Non-Hispanic	79.0	1.4	19.6
	Black Non-Hispanic	79.3	2.8	17.9
	Hispanic	82.5	2.6	15.0

Source: U.S. Census Bureau, March 2002 Current Population Survey: Table 5a. Educational Attainment of Civilians 16 Years and Over, by Labor Force Status, Age, Sex, Race, and Hispanic Origin. Percentages calculated by the National Council of La Raza.

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Discrimination Against Hispanics

Intentional job discrimination was one of the most egregious abuses that the Civil Rights Act of 1964 was designed to prevent. In order to monitor the Act's progress, private employers and government contractors have been required to file annual EEO-1 reports with the U.S. Equal Employment Opportunity Commission and the Department of Labor since 1966. Research based on EEO-1 reports has found that, even as recently as 1999, intentional job discrimination continued to exist throughout the country. In fact, it is estimated that 11% of Hispanic workers were discriminated against in that year. The study of EEO-1 reports did not account for poor education, poverty, or other social problems that are frequently cited as the causes of lower economic and employment status. However, the study's findings suggest that the problems of lower employment opportunities are often compounded by the risk of discrimination. For instance, the majority of Hispanic workers affected by discrimination were in semi- and un-skilled work, such as sales and service. Indeed, of the ten industries accounting for discrimination against 54% of Hispanic workers, six were concentrated in the services and retail trade sectors. On the other hand, Hispanics who would be qualified to apply for jobs in the top three occupational categories (officials, professionals, and technical) faced significantly less discrimination. The data suggest that discrimination is still a barrier for many Latinos to obtaining gainful employment, but it poses a special problem to low-income workers struggling to advance professionally and economically.

Source: Blumrosen, Alfred W. and Ruth G. Blumrosen, *The Reality of Intentional Job Discrimination in Metropolitan America – 1999*, Jersey City, NJ: EEO-1, Inc., 2002. http://www.EEO1.com.

similarly educated Whites and African Americans. Moreover, 82.5% of Hispanics holding advanced degrees were employed, a rate that was slightly higher than that of comparably educated Whites and Blacks (79.0% and 79.3%, respectively).

- **Latinos with more than a high school educational level earned less than other groups with similar educational backgrounds.** Figures 4 and 5 (on page 9) show two measures of income for workers by educational attainment. Figure 4 illustrates the median annual income for all workers by educational level in 2001 and shows that the return on education was not as great for Latinos and African Americans compared to the benefits that similarly-educated Whites reaped at higher levels of educational attainment. Figure 5 shows what full-time workers with the same educational level could expect to earn, on average, during a hypothetical 40-year working life. The gap in lifetime earnings was projected to be especially large between Hispanics and Whites with advanced degrees, although projected earnings for Blacks was consistently the lowest among all workers, regardless of educational level.

The Jobs Latinos Hold

Many factors, such as educational attainment and regional job markets, significantly influence the employment opportunities available to Latino workers. Employment opportunities are generally categorized in terms of occupation and industry. For instance, employees who perform essentially the same activities or tasks are in the same occupation. Some occupations are concentrated in particular industries – groups of establishments that produce similar products or provide similar services – however, a given

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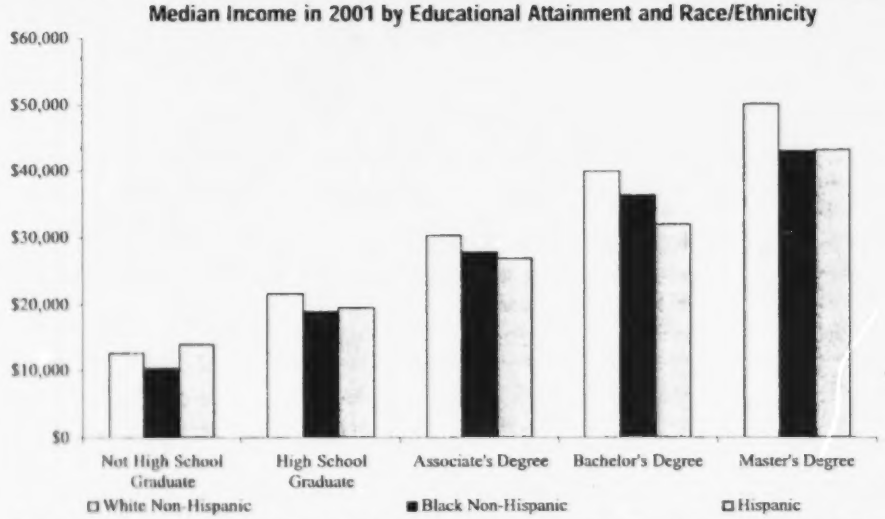
FIGURE 4

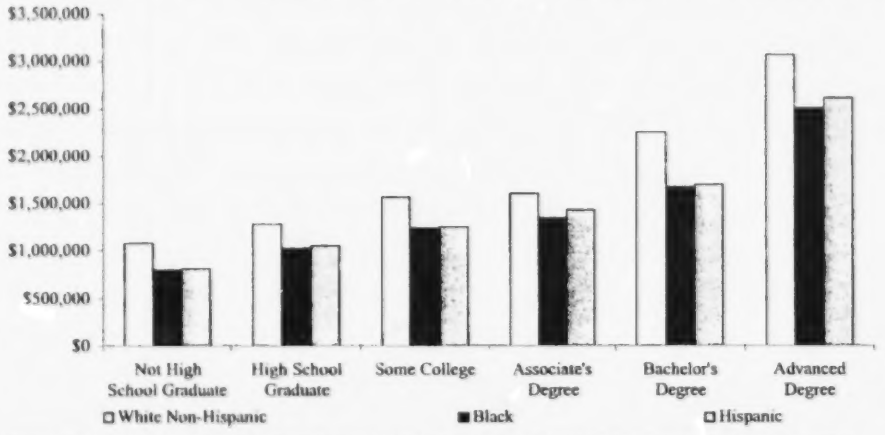
Median Income in 2001 by Educational Attainment and Race/Ethnicity



Source: U.S. Census Bureau, March 2002 Current Population Survey: Table 8. Income in 2001 by Educational Attainment for People 18 Years Old and Over by Age, Sex, Race, and Hispanic Origin.

FIGURE 5

Synthetic Estimates of Work-Life Earnings for Full-Time, Year - Round Workers by Educational Attainment and Race/Ethnicity, Based on 1997-199 Work Experience



Source: U.S. Census Bureau, Current Population Reports, P23-210, The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings. Table 3. Synthetic Estimates of Work-Life Earnings by Educational Attainment, Race, Hispanic Origin, Work Experience, and Age, Based on 1997-1999 Work Experience.

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industry may have employees in many different occupations. Latinos work in all sectors of the labor market, across various occupations and industries, and their labor is integral to the stability of this country. In general, however, Latino workers are more likely to be concentrated in low-skilled, low-paying occupations and industries. Therefore, the jobs Latinos hold often result in less than optimal economic outcomes for Hispanic families and communities.

- **While Latinos represent roughly one in ten employed workers, they are a much larger share of the workforce in specific industries.** In 2001, Latinos constituted nearly one in three (31.3%) employees in the private households sector of the service industry.* A disproportionate share of several other industries' workforces was Latino. In the agriculture industry, one in five (20.3%) workers was Hispanic. Latinos were also a large share of the workers in the construction industry (15.8%), as well as in the nondurable goods sector of the manufacturing industry (15.1%).
- **Patterns of concentration in specific occupations are**

TABLE 4

Employed Persons by Occupation, Income, and Race/Ethnicity, 2001

	Median Weekly Earnings	White (%)	Black (%)	Hispanic (%)	Mexican (%)	Puerto Rican (%)	Cuban (%)
Managerial and ProfessionalSpecialty	$859	31.9	22.6	14.6	12.4	21.0	22.5
Precision, Production, Craft, and Repair	$629	11.6	7.5	14.8	15.9	10.7	12.5
Technical, Sales, and Administrative Support	$521	28.9	29.2	24.2	22.4	32.5	31.2
Operators, Fabricators, and Laborers	$467	12.5	18.1	21.3	23.2	15.6	17.1
Service Occupations	$377	12.4	21.5	20.4	19.7	18.9	15.3
Farming, Forestry, and Fishing	$354	2.6	1.1	4.7	6.3	1.3	1.6

Sources: U.S. Department of Labor, Bureau of Labor Statistics, 2001 Household Data Annual Averages: Table 12. Employed White, Black, and Hispanic-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status; Table 13. Employed Mexican, Puerto Rican, and Cuban-Origin Workers by Sex, Occupation, Class of Worker, and Full- or Part-Time Status; and Table 39. Median Weekly Earnings of Full-Time Wage and Salary Workers by Detailed Occupation and Sex. Percentages calculated by the National Council of La Raza.

* Maids, housekeepers, and others working in private households were among the lowest-paid workers. For instance, 16.6% of workers in the private households sector were paid at or below the minimum wage, compared to an average of 3.3% of employees across all industries.

distinct between racial and ethnic groups. White workers (31.9%) were most concentrated in managerial and professional occupations in 2001, while the largest concentrations of African Americans (29.2%) and Hispanics (24.2%) worked in technical, sales, and administrative support occupations. The second-largest concentrations of Black (22.6%), Puerto Rican (21.0%), and Cuban (22.5%) workers held managerial and professional occupations, while the second-largest concentration of Whites worked in technical, sales, and administrative support occupations. Furthermore, Latinos and Blacks were significantly more likely to be operators, fabricators, and laborers, or work in service occupations than Whites (see Table 4 on page 10).

- **Latinos are especially likely to work in low-paying occupations.** Nearly half (46.4%) of Hispanic workers are concentrated in the three lowest-paying occupations (service occupations; operators, fabricators, and laborers; and farming, forestry, and fishing occupations), as shown in Table 4. For instance, the median weekly earning of operators, fabricators, and laborers was $467 in 2001. The median weekly earnings of workers with service occupations and those working in farming, forestry, and fishing occupations were even lower at $377 and $354, respectively. On the other hand, the largest share (31.9%) of White workers, compared with only 14.6% of Hispanics, had managerial and professional specialty occupations, which were the highest paying at $859 per week.

- **The two occupations with the highest unemployment rates also have high concentrations of Latino workers.** The unemployment rates for service occupations, as well as for operators, fabricators, and laborers, were 5.9% and 7.7%, respectively, in 2001, significantly higher than the 4.8% overall unemployment rate that year. These two occupations, combined, employed 41.7% of Latino workers.

Contingent Workers

Contingent workers are persons who do not expect their jobs to last or who report that their jobs are temporary. The U.S. Department of Labor used three alternative measures to determine that contingent workers accounted for 1.7% to 4.0% of total employment in February 2001. Higher proportions of employed Latinos and African Americans were contingent workers. In fact, contingent workers accounted for 2.1% to 4.8% of the African American workforce and 3.0% to 6.2% of employed Latinos.

The majority (52.0%) of contingent workers would rather have had permanent jobs. This preference for permanent work was likely related to the low compensation rates of contingent workers. Only roughly one-fifth of contingent workers had employer-provided health insurance coverage, and/or were eligible for employer-provided pension plans, compared to one-half of noncontingent workers who had access to each benefit. Contingent workers were more likely to be high school dropouts and less likely to have graduated from college. They were also most often employed in the service industry (55.0%) and were more likely than noncontingent workers to be found in the agriculture and construction trades.

Source: "Contingent and Alternative Employment Arrangements, February 2001," Press Release, Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, May 24, 2001, http://www.bls.gov/news.release/conemp.nr0.htm. Percentages calculated by the National Council of La Raza.

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The Unemployed

The unemployment rate is a prime measure of economic stability. During times of economic prosperity, the unemployment rate is low but, in a recession, unemployment tends to rise and the unemployed search for jobs over a longer period of time. In general, the unemployment rate of Latinos is higher than both the national average and that of Whites. Therefore, during times of recession, the Hispanic community is especially hard hit and often takes longer to recover from prolonged periods of unemployment. From 2000, when the economic growth of the late 1990s began to slow, to 2002, the national unemployment rate rose from roughly 4.0% to over 5.5%. However, the Latino unemployment rate climed to 8.4% in June 2003, significantly higher than the national average (6.4% in June 2003).

There are multiple reasons that people are unemployed. The majority of the unemployed are those who lose their jobs and persons who complete temporary jobs. Reentrants into the labor force who have not yet found a job also contribute to the unemployed population. Smaller proportions of the unemployed are individuals who leave their jobs or have not worked before and are, therefore, new entrants to the labor force. The reasons for unemployment varied only slightly by race and ethnicity in 2001. For instance, a similar share of Latinos and Whites were unemployed due to losing a job (52.3% and 51.3% for Whites and Latinos, respectively), leaving a job (12.9% of unemployed Whites and 10.1% of unemployed Hispanic workers), and reentering the labor market (28.7% and 28.6% of unemployed Whites and Latinos, respectively). However, the notable difference in the reasons for unemployment between White and Hispanic workers was that Latinos were significantly more likely than others to be new entrants to the labor force (10% of Latinos compared to 6.1% of Whites).

- **The Hispanic unemployment rate is significantly higher than that of White workers, but lower than that of their African American counterparts.** In 2001, while the economic recession was still in its early stages, the unemployment rate for Hispanics was 6.6% compared to 4.8% for all workers, 4.2% for Whites, and 8.7% for Blacks. Unemployment rates increased from 2001 to April 2003 to 7.5% for Hispanics, 5.2% for Whites, and 10.9% for Blacks.
- **Latinas are more likely to be unemployed than Hispanic men, whereas Black and White women have lower rates of unemployment than their male counterparts.** The unemployment rate for Latinas was 7.4% in 2001, whereas 6.0% of Hispanic men were unemployed. For the African American and White communities, men were more likely to be unemployed than women. For instance, the Black male unemployment rate was 9.3% compared to 8.1% for Black women. Also, a similar share of both White men and women were unemployed; 4.3% of White men were unemployed compared to a slightly smaller unemployment rate for White women (4.1%).
- **Rates of unemployment vary significantly between Hispanic subgroups.** In 2001, Puerto Ricans had a significantly higher unemployment rate (7.8%) than both Mexicans (6.7%) and Cubans (6.5%).
- **During spells of unemployment, Latinos tend to find work as quickly as White workers.** The average duration that a Hispanic worker was unemployed in

2001 was 11.9 weeks, equal to the duration of unemployed White workers, and shorter than both the national average (13.2 weeks) and the duration of unemployment for Blacks (16.9 weeks).

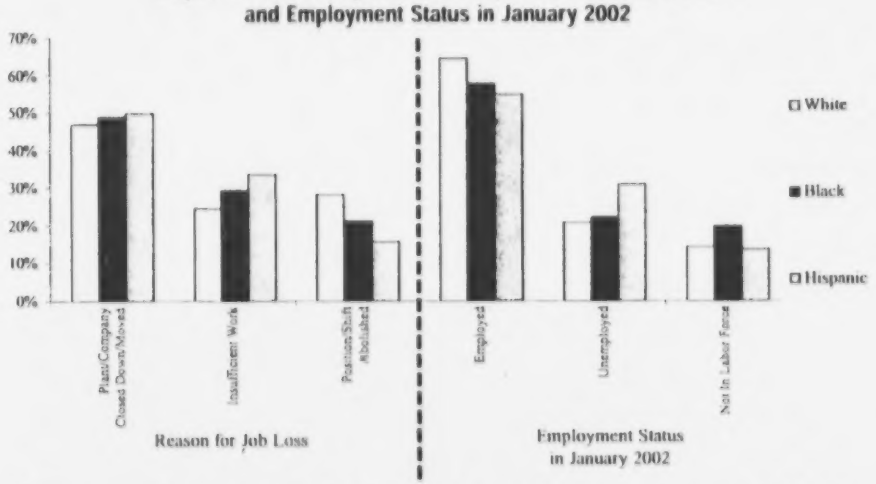
- **Many job losers are displaced from jobs they had held for three or more years.** From January 1999 through December 2001, four million workers were displaced, meaning they lost or left their jobs because their plant or company closed or moved, there was insufficient work for them to do, or their position or shift was abolished. While Latinos constituted a large proportion of unemployed workers (15.4%) in 2001, they were a smaller proportion of displaced workers (8.4%) from 1999 through 2001. However, among displaced workers, Latinos were least likely to be reemployed in January 2002 and most likely to have lost their job due to their plant or company closing (see Figure 6).

Union Affiliation

Nationwide, roughly 16.1 million people were union members in 2002. However, workers affiliated with unions represent a relatively small percentage (13.2%) of all workers. The rate of union membership has steadily declined since such data were first collected in 1983 when the union membership rate was 20.1%. Union affiliation is even less common among Latino workers and, therefore, fewer Hispanics benefit from the advantages afforded by union membership. Union members tend to earn more money and have greater job security than nonunion workers. In addition, union members are significantly more likely to receive employer-provided health coverage and pensions. For example, in

FIGURE 6

Displaced Workers by Race/Ethnicity, Reason for Job Loss, and Employment Status in January 2002



Sources: U.S. Department of Labor, Bureau of Labor Statistics, Displaced Workers Summary, Press Release, August 21, 2002: Table 1. Displaced Workers by Age, Sex, Race, Hispanic Origin, and Employment Status in January 2002, and Table 2. Displaced Workers by Age, Sex, Race, Hispanic Origin, and Reason for Job Loss, January 2002

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Health and Retirement Benefits

Employer-provided health insurance and retirement plans are very important to ensuring the health and economic security of working families. Unfortunately, many people lack health insurance. Therefore, universal health coverage has become a major issue for policy-makers. Also, a lack of employer-provided retirement plans has led to concern about whether Social Security and private pension plans can withstand the strain of providing retirement income to the aging baby-boom generation.

Hispanics have the lowest rate of receipt of these employer-provided benefits. Uninsurance rates were highest among Latinos in 2001 (33.2% of Latinos had no health insurance, compared to just 10.0% of Whites and 19.0% of Blacks). Among Hispanics who worked full-time in the private sector in February 1997, only half had employer-provided health plans, compared to 63% of similar Black workers and 67% of White workers. That same month, participation in employer-provided retirement plans was generally lower than for health plans: only 50% of all full-time private sector workers had such plans. However, the rate was especially low among Hispanics; only 28% participated in employer-provided retirement plans. Due to these low rates of participation, the concerns and debates over the lack of health insurance and participation in retirement plans are especially important for Latino workers.

Sources: Herz, Diane E., Joseph R. Meisenheimer II, and Harriet G. Weinstein. "Health and Retirement Benefits: Data from two BLS Surveys." *Monthly Labor Review*. Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, March 2000; and "Statement of Raul Yzaguirre, NCLR President, on New Census Data Showing High Levels of Uninsurance Among Latinos." Press Release. Washington, DC: National Council of La Raza, September 30, 2002.

2000, 83% received retirement benefits and 75% had health care benefits, compared to 44% and 49% of nonunion workers with retirement benefits and health coverage, respectively.

- **A smaller proportion of Latinos are affiliated with unions compared to other groups.** Among all employed Latinos in 2002, 10.5% were union members and 11.7% were represented by unions.* By comparison, 12.8% of White workers and 16.9% of Blacks were members of unions. Similarly, 14.1% of Whites and 18.7% of African Americans were represented by unions.

- **Lower rates of union affiliation are not clearly linked to the concentration of Latinos in specific industries.** As Table 5 (on page 15) shows, half of the major industries were significantly less likely to have union-affiliated employees and half had a significantly higher rate of union affiliation among employees. The four industries in which workers were less likely to be members of unions or represented by unions collectively employed the majority of all workers, whereas only 26.8% of Blacks, 29.1% of Whites, and 32.8% of Hispanics worked in the four industries with above average union affiliation. Although Hispanic workers were more concentrated in industries where workers tend to be more attached to unions, Latino workers still had a lower rate of union affiliation than their counterparts.

- **Union membership increases the median weekly earnings of Hispanics more than for other groups, though they still earn less than their counterparts.** Nonunion

* The Current Population Survey uses the following definitions: "Union members—Data refer to members of a labor union or an employee association similar to a union." Represented by unions—Data refer to union members, as well as workers who have no union affiliation but whose jobs are covered by a union or an employee association contract.

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Hispanics who worked full-time in 2002 had median weekly earnings of only $408, significantly less than similar White and Black workers who earned $602 and $477, respectively. However, Latino employees who were members of unions or represented by unions earned roughly $212 more per week ($623 for union members and $617 for workers represented by unions). The difference in median weekly earnings between nonunion and union affiliated workers was roughly $135 for African Americans and $158 for Whites.

- **Disparities in pension coverage remain between Latino and other unionized workers.** In 1999, less than half (43%) of Hispanic workers covered by a union contract reported having pension coverage. However, 70% of all workers covered by a union contract were covered by an employer-sponsored pension plan. Furthermore, 29% of Hispanic workers covered by a union contract reportedly did not know if they were covered by the firm's pension plan.

TABLE 5

Share of White, Black, and Hispanic Workers by Industry in 2001, and Industry Employees by Union Affiliation in 2002

White (%)	Black (%)	Hispanic (%)		Members of Unions (%)	Represented by Unions (%)
6.6	6.2	4.3	Finance, Insurance, and Real Estate	1.9	2.5
2.6	0.7	4.3	Agriculture	2.3	2.6
20.7	18.1	23.3	Wholesale and Retail Trade	4.5	4.9
36.6	41.6	31.9	Services	5.7	6.7
0.5	0.2	0.3	Mining	8.5	10.0
14.1	12.5	15.9	Manufacturing	14.3	15.1
7.7	4.0	10.3	Construction	17.2	17.8
6.8	10.1	6.4	Transportation and Public Utilities	23.0	24.3

Sources: U.S. Department of Labor, Bureau of Labor Statistics, 2001 Household Data Annual Averages. Table 17. Employed Persons by Industry, Sex, Race, and Occupation; Table 18. Employed Persons by Detailed Industry, Sex, Race, and Hispanic Origin; and "Union Members in 2002," Press Release, Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, February 25, 2003: Table 3. Union Affiliation of Employed Wage and Salary Workers by Occupation and Industry. Race/Ethnicity percentages calculated by the National Council of La Raza.

Conclusion

The unprecedented economic growth at the end of the last century resulted in real improvements in the economic well-being of Hispanic families, but the current economic situation is eroding those gains. Although Latinos work hard, they continue to fall behind in a number of key measures such as education, earnings, and unemployment. Taken together, the data included in this brief suggest that policy-makers face some significant challenges with respect to ensuring that all American workers benefit from the future growth of the economy. In order to ensure long-term financial stability and security for many Hispanic families, policies must invest in increasing the educational level and building the skills of the rapidly-growing Latino workforce, thereby providing the opportunity for broader distribution of Latino workers across various occupations, and increasing their wages and job stability.

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U.S. Department of Labor, Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections: Table 5. Civilian Labor Force by Sex, Age, Race, and Hispanic Origin, 1980, 1990, 2000, and projected 2010, http://www.bls.gov/news.release/ecopro.t05.htm.

Sucre, Ines

From: National Council of La Raza [bounces@nclr.policy.net]
Sent: Monday, September 01, 2003 4:03 PM
To: Sucre, Ines
Subject: NCLR Releases Reports on the Latino Workforce on the Eve of Labor Day

NCLR
NATIONAL COUNCIL OF LA RAZA

News Release

For Immediate Release
August 29, 2003

Contact: Lisa Navarrete
(202) 785-1670

NCLR RELEASES REPORT ON THE LATINO WORKFORCE ON EVE OF LABOR DAY

Washington, DC – The National Council of La Raza (NCLR), the largest national Hispanic constituency organization, released a report today that presents the most recent data on the nation's fast-growing Latino labor force. This statistical brief, entitled *The Latino Workforce*, examines the most recent data on the educational attainment, employment status, earnings, union affiliation, and other facets of the Hispanic workforce.

While it is widely recognized that Latinos have a strong work ethic – Hispanic men have the highest labor force participation rate of all workers – NCLR's report sheds light on the major challenges faced by Hispanic workers, for instance:

- Latino workers are more likely than their Black or White counterparts to be poor, earn low incomes, and be "contingent" workers holding temporary jobs.
- Latinos who pursue higher education still earn less than other workers with similar educational backgrounds.
- The Hispanic unemployment rate (at 8.2% in August) remains significantly higher than that of White workers and the national average.

The report's findings reveal that, while work can provide a ladder out of poverty, far too many Latinos face barriers to jobs that would provide financial stability for a family. Lower rates of educational attainment and union affiliation hamper the economic mobility of Latino workers. Furthermore, recent reports of the leap in the federal budget deficit and the slow-to-recover economy add urgency to the concerns of many Latino workers.

As the nation prepares to celebrate Labor Day, it is critical that policy-makers and elected officials be mindful of the disparities in income and educational levels that continue to undermine the economic self-sufficiency of Latino families. NCLR urges members of Congress to seek opportunities, such as reauthorization of welfare reform and the Workforce Investment Act, to strengthen income and work supports and improve the nation's training and skill-building programs, in order to enable the nation's vulnerable workers and their families to reach for the American Dream.

Copies of *The Latino Workforce* are available free of charge on the Issue Briefs section of the NCLR

website.

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